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# AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE BUREAU OF AGRICULTURAL ECONOMICS,  
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## KENTUCKY FARMERS' UNION FORMING MARKETING ASSOCIATIONS

Farmers' marketing organizations are being set up at Lexington, Ky., under the supervision of the State division of the Farmers' Educational and Cooperative Union of America. The Farmers' Union Creamery Association was incorporated December 16, 1922; the Farmers' Union Wool Growers' Cooperative Association was incorporated May 17, 1923; the Farmers' Union Cooperative Stockyards Company was incorporated June 4, 1923; the Farmers' Union Poultry and Egg Association, and the Farmers' Union Supply Company of Kentucky, are to be incorporated in the near future. Membership in the Farmers' Union is a requirement for membership in any of the marketing associations.

The creamery association is organized with capital stock to the amount of \$250,000, of which \$150,000 is common stock and \$100,000 preferred. Shares of both common and preferred are one dollar each. The common stock is sold only to dairy producers and it has all the voting power; the preferred stock is limited to 8% cumulative dividends and is sold to anybody. One-fifth of the preferred stock is to be retired each year, beginning January 1, 1923. The purpose of the preferred stock is to furnish capital for obtaining plants for the handling of milk and cream.

Members of the association sign a marketing agreement providing for the sale to the association of all cream for the five years, 1923, 1924, 1925, 1926 and 1927. The contract provides for liquidated damages, in case of breach of contract, of \$5 a cow, also for injunctions, decrees of specific performance, attorney's fees and court costs.

The dairy-producing section of the State has been divided into seven districts, in each of which it is planned to establish and operate a creamery as soon as sufficient contracts have been signed. The districts and the required number of cows for each, are as follows: Cincinnati district, 10,000 cows; Louisville, 10,000 cows for cream, 12,000 cows for milk; Lexington, 8,000 cows; Danville, 7,000 cows; Campbellsville, 6,000 cows; Bowling Green, 7,000 cows; Maysville, 8,000 cows.

The required number of contracts for the Maysville district have been signed and a creamery which was taken over by the association in January and equipped with modern machinery, began operating on June 1 as a cooperative enterprise. Butter is being manufactured for the New York market and ice cream is made for sale in the nearby cities and towns. With creameries in operation in each of the seven districts it

is believed that the output of butter will be sufficient to permit shipment in carlots and the establishment of the association's own selling office in New York City.

The Farmers' Union Wool Growers' Cooperative Association is organized without capital stock. It is controlled by a board of 15 directors elected through primary county elections. The marketing agreement provides for the sale of wool to the association by the grower. Liquidated damages are fixed at ten cents a pound. Wool of like quality is to be included in yearly pools.

The Farmers' Union Stockyards' Company has purchased stockyards in Lexington and is already receiving and selling live stock. The company is capitalized at \$50,000. Auction sales are being held every Wednesday.

The poultry and egg association will begin functioning as soon as the minimum number of signatures has been obtained in any one of the seven districts which have been established for cream and egg marketing. The districts and the requirements for each are as follows: Cincinnati district, 200,000 hens; Lexington, 300,000 hens; Danville, 300,000 hens; Campbellsville, 200,000 hens; Bowling Green, 300,000 hens; Maysville, 190,000 hens. It is proposed to establish a central packing house and cold storage plant in each district and to pack eggs and poultry for the New York City market.

The marketing agreement for the poultry and egg association covers the sale of these products to the association for the six years, 1922-1927. The contract provides for injunction in case of breach of contract, decrees of specific performance, attorney's fees, court costs and liquidated damages of seven cents a dozen for eggs and five cents a pound for poultry.

Officers of the Kentucky Division of the Farmers' Union are empowered to conduct the necessary organization work for bringing the poultry and egg association into existence.

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#### CONSUMERS' COOPERATIVE COMPANY INCREASING ITS BUSINESS

Sales for the first three months of 1922 and the first three months of 1923, are shown in a comparative statement issued by the Franklin Cooperative Creamery Co., Minneapolis, Minn., a company operated by consumers for supplying themselves and others with milk. The figures are given below:

|          | : 1922 Sales | : 1923 Sales |
|----------|--------------|--------------|
| January  | : \$116,422  | : \$215,164  |
| February | : 110,922    | : 206,648    |
| March    | : 129,435    | : 246,239    |

"Cooperative Brand" ice cream, manufactured by the Creamery Company, is now offered for sale in 39 stores and restaurants of the city.

NATIONAL ASSOCIATION REPORTS OF 1922 BUSINESS

In a report presented to the Board of Directors in April of this year, the manager of the National Live Stock Producers' Association gives an account of the activities of the various agencies of the association during 1922. Offices were opened at St. Louis, Indianapolis, Chicago, Peoria, Buffalo and Fort Worth in 1922, the office on the St. Louis market being opened January 2 and those at Fort Worth and Buffalo, November 1.

The following table gives the total number of cars of live stock handled by these agencies, the value of this live stock, the percentage of the total receipts handled by the agencies, and the average cost per car of handling this business.

| 1922 :      | Number :  | Value :           | Per Cent :        | Cost per Car |
|-------------|-----------|-------------------|-------------------|--------------|
|             | of Cars : |                   | Market Receipts : |              |
| January :   | 254 :     | \$ 371,068.17 :   | 3.5 :             | \$15.63      |
| February :  | 331 :     | 507,565.35 :      | 6.4 :             | 19.74        |
| March :     | 432 :     | 503,773.96 :      | 8.4 :             | 12.04        |
| April :     | 451 :     | 791,150.73 :      | 9.0 :             | 13.11        |
| May :       | 914 :     | 1,381,032.17 :    | 10.5 :            | 12.88        |
| June :      | 1,540 :   | 2,343,617.73 :    | 6.7 :             | 9.93         |
| July :      | 1,490 :   | 2,169,258.58 :    | 4.9 :             | 15.76        |
| August :    | 1,784 :   | 2,555,024.73 :    | 5.4 :             | 13.71        |
| September : | 1,744 :   | 2,569,020.33 :    | 5.1 :             | 15.22        |
| October :   | 2,072 :   | 3,103,264.71 :    | 5.5 :             | 12.47        |
| November :  | 3,755 :   | 4,996,947.58 :    | 7.7 :             | 10.98        |
| December :  | 3,758 :   | 5,461,638.71 :    | 8.5 :             | 10.17        |
| Total :     | 18,524 :  | \$26,683,353.17 : | (Av.) 6.6 :       | (Av.) 12.35  |

The report makes some interesting comments on the various factors that affect operating costs in different markets. At St. Louis, for example, it is the usual practice to divide a car of hogs among several buyers. This means that the several lots must be weighed separately, adds to the records that must be kept, and makes the pro-rating more difficult. At Indianapolis the stock yard issues tickets only in duplicate and it is necessary for the association to provide a third ticket, make a copy of all drafts, and then check these copies with the original. At Chicago commission firms are obliged to yard their own stock, which makes several additional employees necessary.

Other factors mentioned as causes of the increase in the operation as between the various markets are: office congestion, proportion of driven-in stock, time of arrival of trains, distribution of receipts over the days of the week, distribution of business between the various kinds of live stock, rental charges, number of departments necessary, and the number of salesmen necessary in each department.

The total earnings of the association for 1922 were \$106,993.70. The St. Louis office is the only one to complete a year's business and make a refund. A total refund of \$40,407 was made by the St. Louis



office, amounting to \$6.48 a car, or 30¢ on every dollar of commissions received. In addition to this a saving of \$7,324 to shippers was made possible through the practice of the association of buying stockers and feeders for shippers without charge. The St. Louis office has also refunded over \$4,300 in membership fees and has office equipment which is valued by the manager at \$6,000.

The Chicago office has refunded over \$10,000 in membership fees; Peoria has voted a 50% refund of membership fees, and the offices in Buffalo and Kansas City have been started on the basis of "no membership fee."

The manager of the National association recommends that each office consider the advisability of setting aside as large a surplus as possible in order to guard against future contingencies. It is recommended that the association should devote the larger part of its activities in the immediate future to the establishment and strengthening of producers' agencies.

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#### GROWTH OF FINNISH COOPERATION IN 1922

Finland in 1922 added 312 cooperatives to her list. In 1921 the increase was 143, and in 1920 it was 141. The following table shows types and numbers of societies:

|                                  | : Jan. 1, 1922: Jan. 1, 1923: Increase |         |       |
|----------------------------------|--|---------|-------|
| Consumers' societies             | : 788                                  | : 790   | : 2   |
| Butter creameries                | : 515                                  | : 541   | : 26  |
| Credit associations              | : 775                                  | : 949   | : 174 |
| Farmers' machine-using societies | : 333                                  | : 369   | : 36  |
| Peat associations                | : 195                                  | : 202   | : 7   |
| Egg associations                 | : 79                                   | : 89    | : 10  |
| Telephone associations           | : 120                                  | : 127   | : 7   |
| Electric-power associations:     | : 72                                   | : 87    | : 15  |
| Miscellaneous                    | : 545                                  | : 580   | : 35  |
| Total                            | : 3,422                                | : 3,734 | : 312 |

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#### SOUTH CAROLINA COTTON ASSOCIATION HANDLES 110,000 BALES

The South Carolina Cotton Growers' Cooperative Association, Columbia, S. C., had received 110,000 bales of cotton late in February, from its 11,400 members, according to "Cooperation," a four-page house organ issued twice a month by the association. Cotton is sold to the mills on types which are prepared by the sales manager.

WOMEN IN BURLEY TOBACCO DISTRICT BEING ORGANIZED

A women's auxiliary is now being created by the Burley Tobacco Growers' Cooperative Association, Lexington, Ky., to promote the development of the cooperative spirit in the Burley section. In the opinion of the officers of the Burley Association, the first step in the cooperative marketing program is to set up the machinery for doing actual marketing, and the second, to foster the cooperative spirit, which, it is hoped, will enrich rural life throughout the Burley tobacco section. There are few granaries in Kentucky, few farmers' clubs, and the Burley Association realizes that this is an opportunity for building an organization which will serve both the economic and social needs of the people.

Plans for the women's auxiliary took definite shape in April, 1923, with the employment of Miss Verna Elsinger as Director of Social Service. Miss Elsinger has worked out a plan for the organization of the women into county and local units, the purpose of the units being to "strengthen and increase the effectiveness of the Burley Tobacco Growers' Cooperative Association by the organized participation and assistance of the women, and to promote in each locality those activities which will serve to enrich and improve their homes and communities."

Membership in the auxiliary will be limited to the wives, mothers, daughters and unmarried sisters of the signers of the association's marketing contract, and to those women who are themselves signers. The plans provide for local units in each school district and a county unit for the locals in each county. Each local will elect a chairman, vice-chairman, and secretary, who, with two additional members, will comprise the executive committee. Three special committees are suggested, namely, membership, program and entertainment, and information and publicity. It is planned that local meetings will be held at least every two weeks.

The county organization consists of the members of the local units. It is governed by a board of directors composed of an executive committee and the chairmen of the local units. Monthly meetings of the county units are urged, and semiannual rallies for all families interested in the marketing association.

Two counties have already been organized and are now planning their first county rallies. Carroll County, in the northern part of Kentucky, with eight locals, is arranging a parade, July 4, with a float from each local. The ten locals in Harrison County are preparing for a pageant on July 3, which will tell the story of the development of the tobacco industry. Over 250 people are scheduled to take part in this event.

Program material for use at local meetings is now being worked up by the social service department of the association. The units will study the organization, structure, mode of operation and functions of the Burley Tobacco Association itself, and the different forms of co-operation at home and in foreign lands.

OKLAHOMA COTTON GROWERS HOLD SECOND ANNUAL MEETING.

The second annual meeting of the Oklahoma Cotton Growers' Association was held in the offices of the association in Oklahoma City, May 29. Delegates from 50 cotton-producing counties of the State represented more than 40,000 growers members, and officials from several other State associations were also in attendance. The general manager reported that after deducting all expenses the members of the association received at least \$20 a bale more than the average price received by nonmembers. Attention was also called to the fact that the business had been so systematized that the association was able to borrow money for all its needs at 5-1/2 and 6 per cent, without commissions or exchange, whereas heretofore even large cotton dealers had been obliged to pay 8 and 10 per cent. It was announced that 160 banks of the State had signed the agreement approving the delivery of mortgaged cotton to the association. The management is developing a plan to reduce operating expenses, and it is believed that this plan will be carried out, at least partially, during the 1923-24 season.

The following figures are selected from the financial summary presented by the general manager:

|                                  |                     |
|----------------------------------|---------------------|
| Proceeds from 65,868 bales ..... | \$8,545,738.43      |
| Payments to members .....        | <u>8,229,566.67</u> |
| Balance is 3.7% of proceeds .... | 316,171.76          |
| Deduct net expenses .....        | <u>261,143.84</u>   |
| Reserves on hand .....           | 55,027.92           |

The following are a few of the larger items of expenditure:

|                                 |          |
|---------------------------------|----------|
| Interest and exchange .....     | \$36,554 |
| Cotton insurance .....          | 35,875   |
| American Cotton Exchange .....  | 17,564   |
| Salaries .....                  | 134,715  |
| Local agents' commissions ..... | 27,675   |

C. L. Stealey was re-elected general manager for the coming year, and H. L. Anderson, head classer, was elected sales manager.

Announcement was made that a friendly understanding had been reached with the Farm Labor Union of America and that that organization had fully endorsed the program of the Oklahoma Cotton Growers' Association, making it possible for the latter association to secure a membership covering the entire State.

The offices will be moved on August 1 into a modern fire-proof building owned by the association. This building will be paid for in cash with a part of the amount received as membership fees.



ILLINOIS HAS ONE PRODUCER-CONSUMER COOPERATIVE

The Cooperative Trading Company, Waukegan, Ill., is said by a writer in the June 1 issue of the Illinois Agricultural Association Record, to be the only producer-consumer association in the State. It was organized in the summer of 1911 as a protest against the poor quality and high prices of milk furnished by private dealers. Originally there were 120 consumer-shareholders and for some months milk was distributed from the basement of a residence. After the first year a building was erected to accommodate a grocery store established by the company. Later a meat department was added and, as the expanding business called for larger accommodations, a \$30,000 addition to the building was completed in April, 1922, including complete and modern dairy equipment.

With the expansion of the business in 1922, it was decided to sell stock to farmers who supplied milk to the company and a satisfactory agreement was worked out whereby the farmers subscribed for sufficient capital stock to cover the dairy investment, and the company guaranteed a satisfactory basic price for milk. Profits from the dairy department are prorated back to producers and consumers in proportion to the price received by the producers and the price paid by consumers for the milk. The association is capitalized at \$30,000 in ten-dollar shares, of which no individual may hold more than 10 shares. Six per cent interest was paid on capital stock in 1922. A five per cent rebate is made at the end of the year on all purchases. At present this rebate is paid in shares of stock to members who hold less than the maximum number.

Farmer-members of the company received last year from 10 to 15 cents per hundred more than private dealers were paying. At present the company is paying 5 cents more than private dealers. The producer-members' share in the profits of the company, after dividends were paid, amounted to 5 cents per hundred pounds of milk sold during the year.

The plant is valued at \$100,000. Sales for 1922 in the dairy department were \$102,619; grocery department, \$68,423; meat department, \$24,783. The surplus for the year was \$3,605. The company now supplies milk to 1,200 families. It has 800 consumer and about 60 producer shareholders at the present time. The company was organized by Finns, but the majority of the membership is now of other nationalities.

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ILLINOIS COOPERATIVE MARKETING BILL APPROVED

The Illinois Cooperative Marketing Bill was signed by Governor Small, June 21, according to a press report. The act provides for the incorporation of cooperative associations and will become effective July 1.

NEW ZEALAND ASSOCIATION REPORTS TRYING YEAR

At the 41st annual meeting of the New Zealand Farmers' Cooperative Association of Canterbury, Ltd., Christchurch, N. Z., the report for the year ending July 31, 1922, showed that for the first time in its history the association was called upon to consider losses instead of profits, the amount involved being £124,000. The slump in values early in the year, together with the stringent money conditions, greatly reduced the earnings of the association in every line of effort. Nearly 400 stockholders attended the meeting and accepted the statement regarding financial conditions in a philosophical manner, rejoicing that a reserve fund of £190,000 was available in the crisis. A later statement from the manager, dated May 16, 1923, advises that a general recovery in trade and produce values has set in and that cooperators are sanguine that within a year or two, at the most, normal conditions will once more prevail.

Among the lines of business mentioned in the annual report are the following: wool, sheep skins, hides, frozen meat, cattle, horses, pigs, dairy produce, cold storage, binder twine, jute goods, manures, grain, potatoes, seeds, motors, insurance and shipping. The association has 11,000 shareholders and an authorized capital of £ 1,500,000, of which £1,307,910 is subscribed, and £383,974 paid up.

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ONION GROWERS ORGANIZING IN INDIANA

Organization of the onion growers of northern Indiana has begun with the launching of membership campaigns in eight of the heaviest onion-producing counties. The county units are later to be federated into the Indiana Farm Bureau Onion Exchange. Membership is open to onion producers only and the contracts are for five years. A sign-up of 50% of the acreage is required for each unit. The commercial crop in 1922 consisted of 3,845 carloads, of which 20 counties contributed from one car to 864 cars each.

Onions will be stored in warehouses of the association, and from these warehouses they will be graded, packed and moved to market in an orderly manner. The crop will be pooled by variety, grade and quality for the sales season.

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CANADIAN COOPERATIVE FAILS

The Okanogan United Growers, Ltd., Vernon, B. C., has gone into liquidation under the bankruptcy act, according to information recently published. Matt G. Wilson, a former director of the organization, has charge of its affairs. The company was organized in 1913 and did a business of nearly half a million dollars that year. In 1920 its turnover was more than two million dollars. The organization was a federation of a number of local fruit associations in the Okanogan apple district of British Columbia.

### COTTON ASSOCIATION ACQUIRES INTEREST IN PROCESSING COMPANY

A statement by the officers of the organization announces that the Arizona Pima Cotton Growers has purchased a one-fourth interest in the Mutual Cotton and Oil Company, a newly organized cotton-processing company of Phoenix, Ariz. The Mutual Cotton and Oil Company has taken over the oil mills and gins of the Firestone Tire and Rubber Company and the Southwest Cotton Company and, in consequence, practically controls the processing situation in the Salt River Valley.

The cooperative association will have two representatives on the board of directors of the Mutual Cotton and Oil Company. The stock purchased by the association will be held by a subsidiary organization to which the association has turned over its entire reserve fund of approximately \$60,000, accumulated during the past two years. The total amount of the association's investment is not given in the published statement of its officers, but it is stated that the subsidiary company will pay the Mutual Cotton and Oil Company \$60,000, as soon as the amount is available, and that the company "has arranged to carry the association at six per cent interest for the balance".

In the past there has been considerable conflict between farmers and the gins and cotton-mill interests in the Salt River Valley. With the decline of 1920 in the price of cotton, ginning charges and the price of cotton seed became increasingly important items in the budgets of the producers. The association of cotton growers determined, therefore, to go into the business of processing the products of its members. Before definite action was taken by the association, Pacific Coast interests proposed the organization of the Mutual Cotton and Oil Company on a basis which would permit the association to become a stockholder. It is stated that the properties purchased by this company were taken over at "prices which reflected losses on the original investments commensurate with the depreciated values on cotton farms..."

C. E. Pencini, a successful oil-mill operator, is president of the new company, and Thomas Clements, formerly vice-president of the Firestone Tire and Rubber Company, is vice-president.

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### POULTRY BUSINESS INCREASES OVER LAST YEAR

Nine thousand dollars more business in May this year than in May 1922, is reported by the Tulare Cooperative Poultry Association, Tulare, Calif., in its mimeographed periodical, "Poultry Association Ken Coop," dated June 15, 1923. The number of cases of eggs handled in the month was 1,820 as against 1,250 in May one year ago. May business amounted to \$32,000, of which \$14,000 was for eggs, \$6,000 for poultry, \$2,000 for baby chicks, and \$10,000 for feeds and supplies handled. One producer delivered to the association 1,171 dozen eggs during May, another delivered 1,110 dozen, and the third largest producer delivered 1,013 dozen.



### COTTON AND COOPERATION IN TURKESTAN

Before the war and the revolution, cotton occupied an important position in the agriculture of Turkestan. In 1911-1915 the average annual area in cotton was about 404,000 dessiatins (1,090,800 acres), yielding an average crop of about 26,677,300 poods (963,317,303 pounds) of raw cotton.

The marketing of cotton before the war was in the hands of local private dealers, small country buyers, and resident agents of the cotton mills located in European Russia. The growers were forced to seek advances on credit from the dealers who saw to it that the growers were always in debt to them. Payment in kind and short weighing were common evils. When the credit cooperatives first appeared in Turkestan, in 1912, having for their primary function the organization of short-term personal credit, they immediately ventured into the field of organizing the assembling, ginning, compressing, and then the marketing of cotton direct to the mills and their wholesale jobbers. Hundreds of small country middlemen were then forced out of the industry.

The period of the revolution and famine conditions resulted in wholesale abandonment of cotton fields or their replacement by other crops. In six years the cotton area declined to 9.6 per cent of 1916 cultivation. The relative position of cotton also declined; whereas in 1915 cotton represented 16 per cent of the total cultivated area, it was 5.2 per cent in 1921, and the proportion of cereal grains increased from 81.9 to 90 per cent. The area sown to cotton between 1917 and 1922, and the proportionate decrease from 1916 figures, is shown below (one dessiatin = 2.7 acres):

| Year | : Dessiatins | : Per Cent of 1916 |
|------|--------------|--------------------|
| 1916 | : 533,771    | : 100.00           |
| 1917 | : 339,461    | : 63.41            |
| 1918 | : 80,000     | : 11.05            |
| 1919 | : 103,171    | : 19.33            |
| 1920 | : 109,336    | : 18.63            |
| 1921 | : 96,500     | : 12.46            |
| 1922 | : 51,428     | : 9.63             |

The yield per dessiatin declined from the normal 80 to 100 poods to from 20 to 30 poods of raw cotton (one pood = 36.1 pounds). The country lost in live stock; machinery and implements have worn out; the quality of the seed has deteriorated; the canals have fallen into a state of chronic disrepair; moreover, the State policy of fixed prices introduced in 1918 in times of rapid exchange devaluation and rising money prices, made it unprofitable to engage in cotton planting. At the same time voluntary cooperation for credit and marketing disappeared. The Cotton Growers' Union, once a voluntary agent, became a go-between for the monopolistic State Cotton Committee, only nominally representing the associated planters, forwarding the interests of their industry and assembling the crop. The planters' union worked



on commission and was responsible for prompt delivery of cotton by its members. The work of cooperation as contracting agent for the State Cotton Committee in 1919-1921 is shown below:

| Year | Status of cooperation |                    | Area<br>Cultivated<br>(Dessiatins) | Cotton Delivered<br>to the State<br>(Poods) |
|------|-----------------------|--------------------|------------------------------------|---|
|      | Associa-<br>tions     | Member<br>Planters |                                    |   |
| 1919 | 42                    | 70,000             | 73,500                             | 1,811,000                                   |
| 1920 | 56                    | 98,000             | 109,000                            | 1,868,000                                   |
| 1921 | 59                    | 104,995            | 96,500                             | 1,300,000                                   |

(Vestnik Selskokhozaistvennoi Kooperatsii, No. 8-9, 1923, p. 10).

In 1922 the Union organized the planting of about 45,000 dessiatins and undertook to deliver to the State about 1,800,000 poods of raw cotton.

According to recent information the cotton monopoly will be terminated sometime in 1923. The cooperative union is already launching a campaign looking to the restoration of cotton agriculture. It seeks to enlist the aid of the State in the extension of long-term credits for irrigation and improved machinery; it advocates the establishment of a special seed fund; it aims to promote the reorganization of personal short-term credit and cooperative supply. The slogan of cotton cooperation is the maximum of local initiative, self held, and the co-ordination of growers' interests with the work of State textile trusts and syndicates, in order to forestall the return of private dealers with their alleged waste and exploitation. (Data taken from the "Messenger of Agricultural Cooperation," No. 8-9, 1923, published in the Russian, at Moscow).

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#### LESS THAN ONE PER CENT DARK TOBACCO IN CLASS A

"If you are going to raise tobacco, raise the best," is the advice to its members of the Dark Tobacco Growers' Cooperative Association, Hopkinsville, Ky. Approximately 100,000,000 pounds of tobacco was delivered to the association in the dark-fired district, of which only 995,056 pounds, a little less than 1%, fell within the A class. This grade brought an average price of 35¢ and the demand was greater than the supply, while the lower and common grades moved slowly and greatly reduced the average prices.

A circular letter from the president calls attention to the great waste of seed, time, labor, horsepower, provender, etc., in raising a large crop of inferior quality, and also reminds the growers of the services of the county agents who are anxious to help solve problems, of the vast amount of literature available from the State and Federal Governments, and of the desire of the association to assist its members in the production of the best quality of tobacco possible.

COLLECTIVE FARMING IN SOVIET RUSSIA

Collective farms (kol-khoz) made their first appearance in the revolutionary year of 1917, and their registration by the Commissariat of Agriculture began in 1918. At the beginning of 1920 there were 6,249 such farms; in March, 1921, the highest figure was reached, namely, 14,606. Under the influence of the "new economic policy" the number of agricultural communes and farm associations declined to 14,128 at the beginning of 1922, and then to 11,407 in December of that year, showing a decrease of 22% from March, 1921. The population of these collective enterprises, at the beginning of 1922, was placed at 1,015,000, or about 1.4% of the peasant population of Soviet Russia. On the territories of Ukraine, the number of collective farms was 3,033 in the middle of 1922.

The statistical department of the All-Russian Union of Agricultural Cooperation has collected information about collective farms federated in unions for common purchase and marketing. They numbered 3,110 on March 1, 1923, organized in 67 cooperative unions. In reality the number of unions was more than four times as great, but the majority were either unions in name only or failed to make any returns.

The collective farms were organized at a time when the belief in the economic efficacy of communism was running high, especially among former factory workers and farm hands. There were economic factors which stimulated the movement, such as the expectation of gaining in land; the hope of producing more food by pooling their live stock and implements; government doles of seed, machinery, live stock or other privileges; and sometimes the desire to save one's personal property under the name of the "commune." Many collective farms were organized by religious sectarians in the search of a higher moral order, and they proved of greater stability than those in which the religious motive was absent. The general opinion is that collective farming has not thus far proved itself superior in a technical sense, that individual farm ownership is bound to remain, for many decades to come, the basis of farm tenure, and that any improvement in methods and well-being must be looked for in voluntary cooperative effort and education. In March, 1922, the Council of the All-Russian Union of Agricultural Cooperation moved to include the collective farms in the general system of agricultural cooperation, if they reorganize themselves on principles of voluntary, free and local cooperation.

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NEW HAMPSHIRE COOPERATIVE REPORTS ON WOOL PRICES

A recent communication from the New Hampshire Cooperative Marketing Association, Inc., Manchester, N. H., states that the 1922 wool pool is closed and that the prices received were as follows: 43¢ per pound for 3/8 blood, 38¢ for 1/4 blood, 30¢ for low quarter, and 27¢ to 20¢ for seedy and inferior grades. Eighty-eight per cent of all the wool received was 3/8 and 1/4 blood.

PRUNE AND APRICOT GROWERS REORGANIZE FIELD DEPARTMENT

A reorganization of the field department of the California Prune and Apricot Growers' Association, San Jose, Calif., is proposed as the result of an analysis of the work accomplished in that department. In order to determine how much of the time of its field men was devoted to the real purpose of the department, a daily time report was kept by each man for 63 working days between January 16 and March 21, 1923. The work was classified and the ten-hour day was divided into 15-minute intervals. The Sunsweet Standard publishes the following table, compiled from the resulting records, which shows the total number of hours given to each class of work during that period, and the percentage of the total.

|   | Hours    | Per Cent |
|---|----------|----------|
| Growers' information service .....        | 1,600.15 | 17.8     |
| Main office special orders .....          | 1,314.30 | 14.7     |
| Road .....                                | 1,276.00 | 14.1     |
| Assisting manufacturing department .....  | 1,036.45 | 11.5     |
| Reports, records and correspondence ..... | 899.00   | 10.0     |
| Meals (allowance) .....                   | 882.00   | 9.8      |
| Membership solicitation.....              | 745.00   | 8.3      |
| Lost time .....                           | 503.15   | 5.6      |
| Collections and non-delivery cases .....  | 280.15   | 3.1      |
| Assisting sales department .....          | 184.30   | 2.0      |
| Overtime .....                            | 118.00   | 1.3      |
| Preferred stock sale .....                | 97.00    | 1.0      |

The resulting conclusion reached by the management engineer was that too much time was spent in service to members, in assisting other departments, in travel, in records and correspondence, and too little in soliciting memberships and stock sales. He recommended that members' service should be separated from membership solicitation and that the two divisions should be reorganized to serve their particular purposes. Steps have been taken to put this into effect and the men employed by the membership sales division will give practically their entire time to soliciting memberships, while a growers' information division will keep the contact between the growers and the administration, and furnish desired information. Members will be kept posted regarding the affairs of the association largely through the Sunsweet Standard, the official organ of the association, which will contain a bulletin of "boiled down news" regarding the markets and the operation of various departments.

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COOPERATION IN ARGENTINA

At the beginning of 1923, Argentina had 157 agricultural cooperatives, including 4 irrigation societies, also 87 town consumers' societies, including 53 bakery and housing associations, making a total of 244 cooperatives in the country.



### ARTICLES ON COTTON FINANCING PUBLISHED IN FEDERAL RESERVE BULLETIN

"Cooperative Marketing of Cotton," the fifth and last of a series of articles describing the methods and financing of the production and distribution of cotton, appears in the Federal Reserve Bulletin for June, 1923. The article discusses (1) the development of the cooperative cotton marketing associations, (2) the plans of organization, and (3) the methods used by the cooperatives for financing their operations. A number of sample forms used by the associations are reproduced, including form of note used in securing funds for early advances, form of member's draft, for notice of assignment, and for acceptances.

The estimated number of bales marketed by each association is given, also the dates of organization. The figures are as follows:

|  | : Organ-: | Bales Marketed |         |
|--|-----------|----------------|---------|
|  | : ized :  | 1921-22        | 1922-23 |
| Oklahoma Cotton Growers' Assn.             | : 1921 :  | 92,000:        | 65,868  |
| Arizona Pima Cotton Growers                | : 1921 :  | 11,000:        | 10,000  |
| Texas Farm Bureau Cotton Assn.             | : 1921 :  | 93,800:        | 77,000  |
| Staple Cotton Cooperative Assn. (Miss.)    | : 1921 :  | 158,714:       | 166,000 |
| Arkansas Cotton Growers' Coop. Assn.       | : 1922 :  | -----:         | 73,000  |
| Georgia Cotton Growers' Coop. Assn.        | : 1922 :  | -----:         | 57,000  |
| North Carolina Cotton Growers' Coop. Assn. | : 1922 :  | -----:         | 137,000 |
| South Carolina Cotton Growers' Assn.       | : 1922 :  | -----:         | 115,000 |
| Alabama Farm Bureau Cotton Assn.           | : 1922 :  | -----:         | 58,000  |
| Mississippi Farm Bureau Cotton Assn.       | : 1923 :  | -----:         | -----   |
| Louisiana Farm Bureau Cotton Growers Assn. | : 1923 :  | -----:         | -----   |
| Tennessee Cotton Growers' Assn.            | : 1923 :  | -----:         | -----   |
| Total .....                                | .....:    | 362,800:       | 758,868 |

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### PACIFIC EGG PRODUCERS INCORPORATE IN NEW YORK

The selling agency set up by five Pacific Coast egg-marketing associations to market their output has recently been incorporated under the cooperative law of New York State as the Pacific Egg Producers Cooperative, Inc. The affiliated associations are, the Washington Cooperative Egg and Poultry Association, Seattle, Wash., the Poultry Producers of Central California, Inc., San Francisco, Calif., the Poultry Producers of Southern California, Los Angeles, Calif., and the Poultry Producers of San Diego, San Diego, Calif. The Pacific Cooperative Poultry Producers, Portland, Oreg., was formerly affiliated but withdrew at the end of 1922. It is expected that this association will rejoin at an early date as it has again begun to consign produce to the agency. Offices are maintained in New York City and in San Francisco.



HALF-BILLION POUNDS OF TOBACCO REPORTED SOLD COOPERATIVELY

In its "Letter to Locals," dated June 20, 1923, the Tobacco Growers' Cooperative Association, Raleigh, N. C., gives the following figures regarding the quantity of tobacco marketed cooperatively this season by the various associations:

|   | : Pounds      | : Members |
|---|---------------|-----------|
| Burley Tobacco Growers' Coop. Assn. (2d year)                 | : 185,000,000 | : 83,000  |
| Virginia-Carolina Tobacco Growers' Cooperative Assn. (1st " ) | : 163,000,000 | : 90,000  |
| Dark Tobacco Growers' Coop. Assn. (1st " )                    | : 160,000,000 | : 60,000  |
| Wisconsin Tobacco Growers' Coop. Assn. (1st " )               | : 17,000,000  | : 7,500   |
| Total .....   | : 525,000,000 | : 240,500 |

The increase of nearly \$40,000,000 received this season by the members of the Tobacco Growers' Cooperative Association, in spite of the greatly increased production and greatly decreased exports, is attributed to the orderly, systematic marketing of the crop.

Regarding production and prices, certain figures from the report of the Federal Reserve Board for June are given, of which a few are cited below:

Tobacco farmers of North Carolina and Virginia increased their receipts by approximately \$36,000,000 over the preceding year.

Sales of all types of leaf tobacco in Virginia amounted to 161,245,000 pounds prior to May 1, as compared with 95,218,000 pounds in 1921-22. Prices for dark tobacco averaged \$18.81 per hundred, compared with \$18.66 in 1921-22. For bright tobacco prices were about 45% higher than the previous season.

In North Carolina, producers' sales totaled 276,813,000 pounds, at an average price of \$27.11 per hundred, compared with 251,622,000 pounds the year before at an average price of \$25. Final returns were approximately \$76,000,000, an increase of \$13,000,000 over the previous season.

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UNIFORMLY HIGH-GRADE WOOL IN SHELBY COUNTY POOL

The most uniform lot of wool he ever handled, was the commendation given by the grader of the wool pool at Shelbyville, Mo., May 29 and 30. The amount of wool delivered by 65 growers was 15,571 pounds, and 70% of the entire lot graded 7/8 to 1/8 blood combing, and brought 49¢ per pound. The average for the entire pool was 47¢. Less than 5% was classed as slightly burry. Four competitive bids were received, the highest bidder being the firm which purchased the Shelby county pool last year, and has long handled the wools from that county and knows its pure-bred Hampshire sheep.

ASSOCIATION OWNS TWENTY-TWO PACKING PLANTS

When the California Prune and Apricot Growers' Association, San Francisco, Calif., organized on May 1, 1917, it was obliged to contract with independent packers throughout the State to pack the 150,000,000 pounds of prunes and apricots of the 1917 crop. The matter of purchasing or building its own packing houses was first considered at a meeting of directors in December, 1917. After an extensive investigation to determine the relative costs of packing fruit under contract or of acquiring buildings and packing its own fruit, it was decided that the former method was far more expensive. A subsidiary organization was formed, known as the Growers' Packing and Warehousing Association, and through this the growers now own and operate twenty-two prune and apricot packing plants, three receiving stations, two pit-cracking plants, and a shook mill which is located in Oregon. These plants and their equipment are valued at several million dollars and at the end of the present seven-year contract will be owned entirely by the growers, as the plans include the retirement by that time of all the preferred stock now outstanding in the name of the Growers' Packing and Warehousing Association. The gigantic prune-packing plant at Visalia is said by the management to be the largest plant in the world devoted entirely to the packing of dried prunes. (Sunsweet Standard, June, 1923).

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COTTON GROWERS TO CONDUCT BIG MEMBERSHIP DRIVE

A membership campaign among the cotton growers of twelve States was authorized by the trustees of the American Cotton Exchange, at a meeting held at Dallas, Texas, June 1. This drive is planned to begin with independence picnics July 4, and to continue until September 1, and it is hoped to secure 100% membership. The slogan recommended for every community is "Not a street buyer of cotton at our marketing point in 1923."

The budget for 1923-24, recommended and approved by the board of trustees of the American Cotton Growers' Exchange, included the following salary items, with changes indicated:

|                          |          |
|--------------------------|----------|
| President,               | \$ 8,333 |
| Secretary and Treasurer, | 12,000   |
| (Reduced \$3,000)        |          |
| Director of Publicity,   | 5,000    |
| Systems, Director,       | 9,000    |
| Sales Dept., Director,   | 33,333   |
| (Reduced from \$50,000)  |          |

(Oklahoma Cotton Grower, June 10).